

House of Representatives, April 14, 1998. The Committee on Appropriations reported through REP. DYSON, 94th DIST., Chairman of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING HIGHER EDUCATION INCENTIVE FUNDING.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (a) On or before December
2 31, 1998, the Commissioner of Higher Education, in
3 consultation with the Higher Education
4 Coordinating Council established pursuant to
5 section 10a-6a of the general statutes, shall
6 establish a set of performance standards and
7 reporting formats for use in monitoring and
8 evaluating the progress of each constituent unit
9 of the state system of higher education in meeting
10 state-wide needs in the following areas: (1)
11 Access and affordability of higher education; (2)
12 preparing students to succeed in the twenty-first
13 century; (3) assisting in economic development;
14 and (4) serving as a technology resource. The
15 commissioner shall submit such standards and
16 formats to the Board of Governors of Higher
17 Education for its review and approval.
18 (b) For the fiscal year ending June 30, 2000,
19 and each fiscal year thereafter, the Board of
20 Governors of Higher Education shall distribute to
21 the constituent units funds appropriated for
22 specific performance linked higher education

23 initiatives that meet state-wide needs pursuant to
24 subsection (a) of this section, including
25 initiatives identified in constituent unit plans
26 developed pursuant to subdivision (10) of
27 subsection (b) of section 10a-72 of the general
28 statutes, as amended by section 3 of this act,
29 subdivision (10) of subsection (a) of section
30 10a-89 of the general statutes, as amended by
31 section 4 of this act, subdivision (12) of
32 subsection (a) of section 10a-104 of the general
33 statutes, as amended by section 5 of this act, and
34 subsection (j) of section 10a-143 of the general
35 statutes, as amended by section 6 of this act.

36 Sec. 2. Subsection (a) of section 10a-8 of
37 the general statutes is repealed and the following
38 is substituted in lieu thereof:

39 (a) The provisions of sections 4-77 and 4-78
40 shall not apply to the constituent units of the
41 state system of higher education, and for the
42 purposes of said sections only, the Board of
43 Governors of Higher Education shall be deemed the
44 budgeted agency for such constituent units. The
45 Board of Governors of Higher Education shall
46 develop a formula or program-based budgeting
47 system to be used by each institution and
48 constituent board in preparing operating budgets.
49 The Board of Governors of Higher Education shall
50 prepare a single public higher education budget
51 request itemized by the individual institution and
52 branch using the formula or program-based
53 budgeting system and shall submit such budget
54 request displaying all operating funds to the
55 Secretary of the Office of Policy and Management
56 in accordance with sections 4-77 and 4-78, subject
57 to procedures developed by the Board of Governors
58 of Higher Education and approved by said
59 secretary. The budget request of the Boards of
60 Trustees of The University of Connecticut, the
61 Community-Technical Colleges and the Connecticut
62 State University System AND THE BOARD FOR STATE
63 ACADEMIC AWARDS shall set forth, in the form
64 prescribed by the Board of Governors of Higher
65 Education, a proposed expenditure plan which shall
66 include: (1) The total amount requested for such
67 appropriation account; (2) the amount to be
68 appropriated from the General Fund; [and] (3) the
69 amount to be paid from the tuition revenues of The
70 University of Connecticut, the regional

71 community-technical colleges, [and] the
72 Connecticut State University System AND CHARTER
73 OAK STATE COLLEGE AND; (4) ANY INITIATIVES FOR
74 MEETING STATE-WIDE NEEDS DESCRIBED IN SECTION 1 OF
75 THIS ACT. After review and comment by the Board of
76 Governors of Higher Education, the proposed
77 expenditure plans shall be incorporated into the
78 single public higher education budget request
79 including recommendations, if any, by said board.
80 Any tuition increase proposed by the Boards of
81 Trustees of The University of Connecticut, the
82 Community-Technical Colleges and the Connecticut
83 State University System for the fiscal year to
84 which the budget request relates shall be included
85 in the single public higher education budget
86 request submitted by the Board of Governors of
87 Higher Education for such fiscal year, provided if
88 the General Assembly does not appropriate the
89 amount requested by any such board of trustees,
90 such board of trustees may increase tuition and
91 fees by an amount greater than that included in
92 the budget request in response to which the
93 appropriation was made. The General Assembly shall
94 make appropriations directly to the constituent
95 unit boards. Said constituent unit boards shall
96 allocate appropriations to the individual
97 institutions and branches with due consideration
98 to the program or formula-based budget used to
99 develop the appropriation as approved by the
100 General Assembly or as otherwise specified in the
101 approved appropriation. Allotment reductions made
102 pursuant to the provisions of subsections (b),
103 (c), and (f) of section 4-85 shall be applied by
104 the Board of Governors of Higher Education among
105 the appropriations to the constituent unit boards
106 without regard to the limitations on reductions
107 provided in said section, except that said
108 limitations shall apply to the total of the
109 amounts appropriated to the higher education
110 budgeted agencies. The Board of Governors of
111 Higher Education shall apply such reductions after
112 consultation with the Secretary of the Office of
113 Policy and Management and the constituent unit
114 boards. Any reductions of more than five per cent
115 of the appropriations of any constituent units
116 shall be submitted to the appropriations committee
117 which shall, within ten days, approve or reject
118 such reduction.

119 Sec. 3. Subsection (b) of section 10a-72 of
120 the general statutes is repealed and the following
121 is substituted in lieu thereof:

122 (b) Subject to state-wide policy and
123 guidelines established by the Board of Governors
124 of Higher Education, the board of trustees shall:

125 (1) Make rules for the governance of the
126 regional community-technical colleges, determine
127 the general policies of said colleges, including
128 those concerning the admission of students, and
129 direct the expenditure of said colleges' funds
130 within the amounts available;

131 (2) Develop mission statements for the
132 regional community-technical colleges: The mission
133 statement for the regional community-technical
134 colleges shall include, but need not be limited to
135 the following elements: (A) The educational needs
136 of and constituencies served by said colleges; (B)
137 the degrees offered by said colleges, and (C) the
138 role and scope of each institution within the
139 community-technical college system, which shall
140 include each institution's particular strengths
141 and specialties. The board of trustees shall
142 submit the mission statement to the Board of
143 Governors of Higher Education for review and
144 approval in accordance with the provisions of
145 section 10a-6;

146 (3) Establish policies for the regional
147 community-technical colleges;

148 (4) Establish policies which protect academic
149 freedom and the content of courses and degree
150 programs;

151 (5) Submit to the Board of Governors of
152 Higher Education, for approval, recommendations
153 for the establishment of new academic programs;

154 (6) Make recommendations to the Board of
155 Governors of Higher Education, when appropriate,
156 regarding institutional mergers or closures;

157 (7) Coordinate the programs and services of
158 the institutions under its jurisdiction;

159 (8) Promote fund-raising by the institutions
160 under its jurisdiction in order to assist such
161 institutions, provided the board shall not
162 directly engage in fund-raising except for
163 purposes of providing funding for (A) scholarships
164 or other direct student financial aid and (B)
165 programs, services or activities at one or more of
166 the institutions within its jurisdiction and

167 report to the Commissioner of Higher Education and
168 the joint standing committee of the General
169 Assembly having cognizance of matters relating to
170 education by January 1, 1994, and biennially
171 thereafter, on all such fund-raising; [and]

172 (9) Charge the direct costs for a building
173 project under its jurisdiction to the bond fund
174 account for such project; provided, (A) such costs
175 are charged in accordance with a procedure
176 approved by the Treasurer and (B) nothing in this
177 subdivision shall permit the charging of working
178 capital costs, as defined in the applicable
179 provisions of the Internal Revenue Code of 1986,
180 or any subsequent corresponding internal revenue
181 code of the United States, as from time to time
182 amended, or costs originally paid from sources
183 other than the bond fund account; AND

184 (10) DEVELOP A PLAN TO ADDRESS STATE-WIDE
185 NEEDS AS DESCRIBED IN SECTION 1 OF THIS ACT.

186 Sec. 4. Subsection (a) of section 10a-89 of
187 the general statutes, as amended by section 16 of
188 public act 97-293, is repealed and the following
189 is substituted in lieu thereof:

190 (a) Subject to state-wide policy and
191 guidelines established by the Board of Governors
192 of Higher Education, the board of trustees shall
193 provide for the administration of the Connecticut
194 State University system, plan for the expansion
195 and development of the institutions within its
196 jurisdiction, and submit such plans to the Board
197 of Governors of Higher Education and to the
198 Commissioner of Public Works for review and
199 recommendations. The Commissioner of Public Works
200 upon request of the board of trustees shall, in
201 accordance with section 4b-30, negotiate and
202 execute leases on such physical facilities as the
203 board of trustees may deem necessary for proper
204 operation of such institutions, and the board of
205 trustees may, with the permission of the
206 Commissioner of Public Works and the State
207 Properties Review Board, expend capital funds
208 therefor if such leasing is required during the
209 planning and construction phases of institutions
210 within its jurisdiction for which such capital
211 funds were authorized. Subject to such policies as
212 may be established by the board of trustees, the
213 chief executive officer of each institution within
214 the jurisdiction of the board may make buildings

215 and other facilities under its control available
216 to nonprofit and other organizations or to
217 individuals for temporary uses not inconsistent
218 with the educational purpose of the institution.
219 The board of trustees may appoint or remove the
220 chief executive officer of each institution within
221 its jurisdiction, and with respect to its own
222 operation the board of trustees may appoint and
223 remove an executive secretary and executive staff.
224 The board of trustees may determine the size of
225 the executive staff and the duties, terms and
226 conditions of employment of said secretary and
227 staff, subject to personnel guidelines established
228 by the Board of Governors of Higher Education in
229 consultation with said board of trustees. The
230 board of trustees may employ faculty and other
231 personnel needed to maintain and operate the
232 institutions within its jurisdiction. Within the
233 limitation of appropriations, the board of
234 trustees shall fix the compensation of such
235 personnel, establish terms and conditions of
236 employment and prescribe their duties and
237 qualifications. The board of trustees shall
238 determine who constitutes its professional staff
239 and establish compensation and classification
240 schedules for its professional staff. The board of
241 trustees shall annually submit to the Commissioner
242 of Administrative Services a list of the positions
243 which it has included within the professional
244 staff. The board of trustees may appoint one or
245 more physicians for the Connecticut State
246 University system and shall provide such
247 physicians with suitable facilities for the
248 performance of such duties as it prescribes.
249 Subject to state-wide policy and guidelines
250 established by the Board of Governors of Higher
251 Education, the board of trustees shall: (1) Make
252 rules for the government of the Connecticut State
253 University system and shall determine the general
254 policies of the university system, including those
255 concerning the admission of students and the
256 expenditure of the funds of institutions under its
257 jurisdiction within the amounts available; (2)
258 develop the mission statement for the university
259 system which shall include, but not be limited to
260 the following elements: (A) The educational needs
261 of and constituencies served by the institutions
262 within its jurisdiction; (B) the degrees offered

263 by such institutions; and (C) the role and scope
264 of each institution within the university system,
265 which shall include each institution's particular
266 strengths and specialties. The board of trustees
267 shall submit the mission statement to the Board of
268 Governors of Higher Education for review and
269 approval in accordance with the provisions of
270 section 10a-6; (3) establish policies for the
271 university system and for the individual
272 institutions under its jurisdiction; (4) submit to
273 the Board of Governors of Higher Education, for
274 approval, recommendations for the establishment of
275 new academic programs; (5) make appropriate
276 recommendations to the Board of Governors of
277 Higher Education regarding institutional mergers
278 or closures; (6) coordinate the programs and
279 services of the institutions under its
280 jurisdiction; (7) be authorized to enter into
281 agreements, consistent with the provisions of
282 section 5-141d, to save harmless and indemnify
283 sponsors of research grants to institutions under
284 its jurisdiction, provided such an agreement is
285 required to receive the grant and limits liability
286 to damages or injury resulting from acts or
287 omissions related to such research by employees of
288 such institutions; (8) promote fund-raising by the
289 institutions under its jurisdiction in order to
290 assist such institutions, provided the board shall
291 not directly engage in fund-raising except for
292 purposes of providing funding for (A) scholarships
293 or other direct student financial aid and (B)
294 programs, services or activities at one or more of
295 the institutions within its jurisdiction and
296 report to the Commissioner of Higher Education and
297 the joint standing committee of the General
298 Assembly having cognizance of matters relating to
299 education by January 1, 1994, and biennially
300 thereafter, on all such fund-raising; [and] (9)
301 charge the direct costs for a building project
302 under its jurisdiction to the bond fund account
303 for such project, provided (A) such costs are
304 charged in accordance with a procedure approved by
305 the Treasurer and (B) nothing in this subdivision
306 shall permit the charging of working capital, as
307 defined in the applicable provisions of the
308 Internal Revenue Code of 1986, or any subsequent
309 corresponding internal revenue code of the United
310 States, as from time to time amended, or costs

311 originally paid from sources other than the bond
312 fund account; AND (10) DEVELOP A PLAN TO ADDRESS
313 STATE-WIDE NEEDS AS DESCRIBED IN SECTION 1 OF THIS
314 ACT.

315 Sec. 5. Subsection (a) of section 10a-104 of
316 the general statutes, as amended by section 9 of
317 public act 97-293, is repealed and the following
318 is substituted in lieu thereof:

319 (a) Subject to state-wide policy and
320 guidelines established by the Board of Governors
321 of Higher Education, the Board of Trustees of The
322 University of Connecticut shall: (1) Make rules
323 for the government of the university and shall
324 determine the general policies of the university,
325 including those concerning the admission of
326 students and the establishment of schools,
327 colleges, divisions and departments, and shall
328 direct the expenditure of the university's funds
329 within the amounts available; (2) develop the
330 mission statement for The University of
331 Connecticut, and all branches thereof, which shall
332 include, but not be limited to, the following
333 elements: (A) The educational needs of and
334 constituencies served by said university and
335 branches; (B) the degrees offered by said
336 university; and (C) the role and scope of each
337 institution and branch within the university
338 system, which shall include each institution's and
339 branch's particular strengths and specialties. The
340 board of trustees shall submit the mission
341 statement to the Board of Governors of Higher
342 Education for review and approval in accordance
343 with the provisions of section 10a-6; (3)
344 establish policies for the university system and
345 for the individual institutions and branches under
346 its jurisdiction; (4) submit to the Board of
347 Governors of Higher Education, for approval,
348 recommendations for the establishment of new
349 academic programs; (5) make recommendations to the
350 Board of Governors of Higher Education, when
351 appropriate, regarding institutional or branch
352 mergers or closures; (6) coordinate the programs
353 and services of the institutions and branches
354 under its jurisdiction; (7) be authorized to enter
355 into agreements, consistent with the provisions of
356 section 5-141d, to save harmless and indemnify
357 sponsors of research grants to The University of
358 Connecticut, provided such an agreement is

359 required to receive the grant and limits liability
360 to damages or injury resulting from acts or
361 omissions related to such research by employees of
362 the university; (8) promote fund-raising to assist
363 the university and report to the Commissioner of
364 Higher Education and the joint standing committee
365 of the General Assembly having cognizance of
366 matters relating to education by January 1, 1994,
367 and biennially thereafter, on such fund-raising;
368 (9) charge the direct costs for a building project
369 under its jurisdiction to the bond fund account
370 for such project, provided (A) such costs are
371 charged in accordance with a procedure approved by
372 the Treasurer and (B) nothing in this subdivision
373 shall permit the charging of working capital
374 costs, as defined in the applicable provisions of
375 the Internal Revenue Code of 1986, or any
376 subsequent corresponding internal revenue code of
377 the United States, as from time to time amended,
378 or costs originally paid from sources other than
379 the bond fund account; (10) exercise the powers
380 delegated to it pursuant to section 10a-109d;
381 [and] (11) establish by October 1, 1997, policies
382 governing the acceptance of gifts made by a
383 foundation established pursuant to sections 4-37e
384 and 4-37f to the university or its employees for
385 reimbursement of expenditures or payment of
386 expenditures on behalf of the university or its
387 employees; AND (12) DEVELOP A PLAN TO ADDRESS
388 STATE-WIDE NEEDS AS DESCRIBED IN SECTION 1 OF THIS
389 ACT.

390 Sec. 6. Section 10a-143 of the general
391 statutes is amended by adding subsection (j) as
392 follows:

393 (NEW) (j) The Board for State Academic Awards
394 shall develop a plan to address state-wide needs
395 as described in section 1 of this act.

396 Sec. 7. Section 10a-6a of the general
397 statutes is amended by adding subsection (d) as
398 follows:

399 (NEW) (d) The council shall examine and
400 implement savings and reforms in performance areas
401 affecting the efficiency and effectiveness of the
402 public higher education system, including
403 alternatives to campus based instruction, array of
404 program offerings, transfer and articulation
405 agreements, administrative systems, student
406 issues, progress and outcomes, shared cost

407 strategies, and remedial education and retention.
408 The council shall also monitor and study the
409 effects of current collective bargaining
410 agreements and faculty productivity. The council
411 shall report, in accordance with the provisions of
412 section 11-4a, to the joint standing committees of
413 the General Assembly having cognizance of matters
414 relating to education and appropriations, on their
415 findings and an implementation plan by January 1,
416 1999.

417 Sec. 8. This act shall take effect July 1,
418 1998.

419 ED COMMITTEE VOTE: YEA 31 NAY 0 JFS C/R APP
420 APP COMMITTEE VOTE: YEA 50 NAY 0 JF

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"THE FOLLOWING FISCAL IMPACT STATEMENT AND BILL ANALYSIS ARE PREPARED FOR THE BENEFIT OF MEMBERS OF THE GENERAL ASSEMBLY, SOLELY FOR PURPOSES OF INFORMATION, SUMMARIZATION AND EXPLANATION AND DO NOT REPRESENT THE INTENT OF THE GENERAL ASSEMBLY OR EITHER HOUSE THEREOF FOR ANY PURPOSE."

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FISCAL IMPACT STATEMENT – BILL NUMBER SHB 5383

STATE IMPACT	Potential explanation	Future below	Costs,	see
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MUNICIPAL IMPACT None

STATE AGENCY(S) Department of Higher Education and
the Constituent Units of Higher
Education

EXPLANATION OF ESTIMATES:

Passage of the bill authorizes the Commissioner of the Department of Higher Education to distribute to the units, funds appropriated to the department for the purpose of creating incentives to meet certain established standards. The intent of the bill is to provide funds within available appropriations and although there is no immediate fiscal impact as a result of the passage of the bill, there would be a future need for additional funding depending upon the performance standards set and the extent to which they are met.

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OLR BILL ANALYSIS

sHB 5383

AN ACT CONCERNING HIGHER EDUCATION INCENTIVE FUNDING

SUMMARY: This bill requires the commissioner of higher education, by December 31, 1998 and in consultation

with the Higher Education Coordinating Council, to establish performance standards and reporting formats for monitoring and evaluating how higher education constituent units meet state needs the bill identifies.

The commissioner must submit the standards and formats to the Board of Governors of Higher Education (BOG) for its review and approval.

Beginning with FY 1999-00, the bill requires the BOG to distribute appropriations to constituent units for specific performance-linked initiatives to meet these needs, including for initiatives set out in plans the bill requires the units' boards of trustees to develop.

The bill requires each unit to specify initiatives to meet the needs in the expenditure plans they submit to the BOG and requires the Board for State Academic Awards to submit a proposed expenditure plan for Charter Oak State College in the same form as the other units.

Finally, the bill requires the coordinating council to (1) examine and implement savings and reforms in areas of higher education performance that affect efficiency and effectiveness and (2) study and monitor (a) the effects of current collective bargaining agreements and (b) faculty productivity. It must report its findings and recommendations along with a plan to implement them to the Education and Appropriations committees by January 1, 1999. The council must already identify, examine, and implement administrative savings in the state higher education system and its constituent units.

EFFECTIVE DATE: July 1, 1998

FURTHER EXPLANATION

Statewide Needs

The bill identifies the following statewide needs to which higher education performance must be linked:

1. providing accessible and affordable higher education,
2. preparing students to succeed in the 21st century,

3. helping with economic development, and
4. serving as a technology resource.

Expenditure Plans

By law, the boards of trustees of the University of Connecticut, Connecticut State University, and the regional community-technical colleges must submit proposed expenditure plans to BOG as part of their budget requests. This bill also requires the Board for State Academic Awards to submit a plan for Charter Oak State College.

The law already requires each expenditure plan to include (1) the total amount requested for each account, (2) the General Fund appropriation, and (3) the amount to be paid from tuition revenues. The bill requires the expenditure plan to include any initiatives for meeting the statewide needs.

Coordinating Council Efficiency Study

The bill requires the coordinating council to examine at least the following in considering savings and reforms in the system's efficiency and effectiveness: (1) alternatives to campus-based instruction; (2) program offerings; (3) transfer and articulation agreements; (4) administrative systems; (5) student issues, progress and outcomes; (6) cost sharing; (7) remedial education; and (8) student retention.

BACKGROUND

Higher Education Coordinating Council

The council consists of the commissioners of education and higher education and the chief executive officers and boards of trustees' chairmen of the University of Connecticut, Connecticut State University, the regional community-technical colleges, and the Board for State Academic Awards.

COMMITTEE ACTION

Education Committee

Joint Favorable Substitute Change of Reference

14

File No. 492

Yea 31 Nay 0

Appropriations Committee

Joint Favorable Report

Yea 50 Nay 0